Government of Saskatchewan

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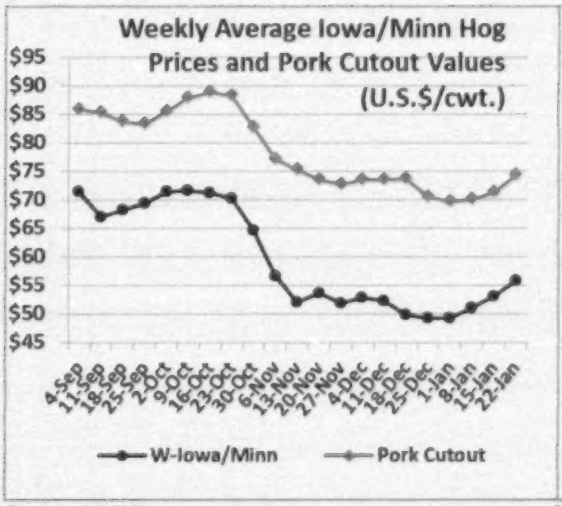
Weekly Hog Report

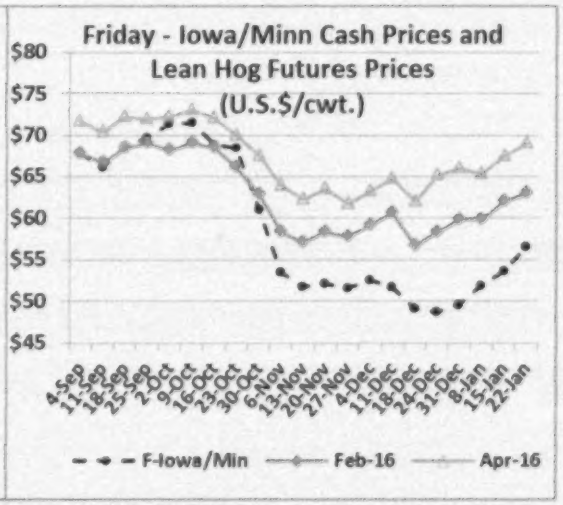
January 25, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) declined Monday then moved higher for the remainder of the week to end last Friday higher, week-over-week. Hog prices on Friday January 22 averaged US$56.55 per cwt, up US$2.93 per cwt or 5.5 per cent from US$53.62 per cwt the previous Friday. The negotiated base price last week averaged US$55.65 per cwt, up US$2.69 per cwt or 5.1 per cent from US$52.96 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

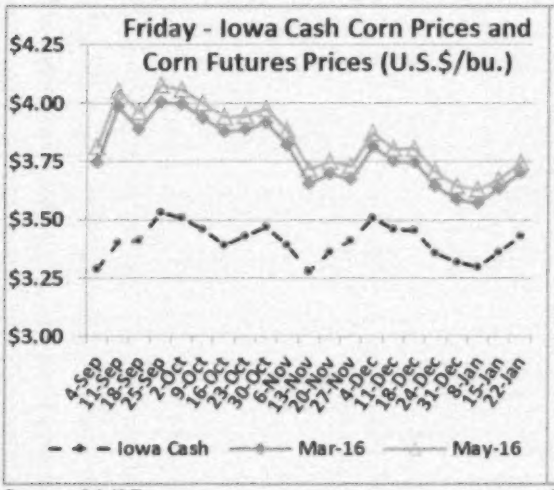
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday January 22, 2016 was $146.18 per ckg, up $8.00 per ckg or 5.8 per cent from $138.18 per ckg the previous week ending Friday January 15, 2016. Signature#3 weekly prices (Friday to Thursday) averaged $144.72 per ckg, up $8.36 per ckg or 6.1 per cent from the previous weeks' average price of $136.35 per ckg. The Canadian dollar rebounded last week on higher oil prices to close Friday at 70.67 cents, up 1.85 cents from 68.82 the previous Friday.

Futures Markets

United States Lean hog futures daily prices were mixed last week but relatively stable with daily prices edging higher, week-over-week. The nearby February 2016 contract last week increased US$0.975 per cwt to settle Friday at US$63.00 per cwt, while the April 2016 contract increased US$1.550 per cwt to settle Friday at US$69.00 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were again higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$62.20 per head, up US$2.78 per head from US$59.42 per head the previous week. Feeders (40lb) were US$71.30 per head, up $2.73 per head from US$68.57 per head, the previous week.



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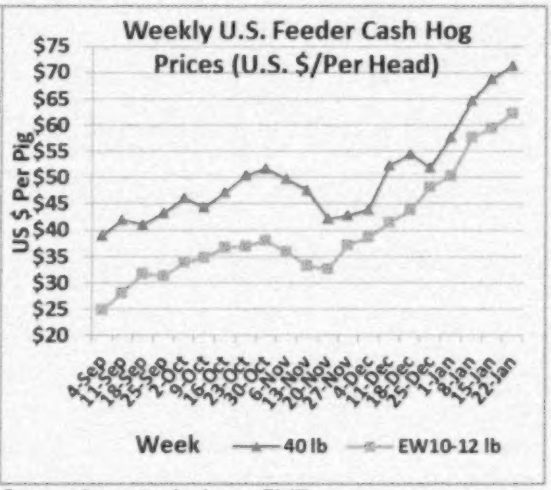


Source: Iowa Agriculture, CME

U.S. Iowa cash corn prices moved higher last week increasing seven cents to settle Friday at US$3.43 per bushel. U.S. daily corn futures prices were primarily higher last week with decent price increases on Tuesday and Friday to end last week higher, week-over week. The March 2016 contract increased seven cents last week to settle Friday at $3.70¼ per bushel, while the May 2016 corn contract increased just over seven cents to settle Friday at US$3.74¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending January 23 were estimated 2.329 million head, up 1.3 per cent from 2.300 million head the previous week, and up 0.5 per cent from 2.317 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending January 23 averaged 2.260 million head per week, up 4.0 per cent from 2.174 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending January 16, 2016 were estimated at 446,260 head, down 2.2 per cent from 456,451 head the previous week, but up 1.8 per cent from 438,166 head the same week a year ago.

In Western Canada, hogs slaughtered over the week ending January 16, 2016 were estimated at 177,418 head, down 7.6 per cent from 192,076 head the previous week, but up 2.8 per cent from 172,642 head the same week a year ago.

Meat Production

U.S. pork production for the week ending January 23, 2016 was estimated at 497.9 million lb., up 1.7 per cent from 489.8 million lb. the previous week, but down 0.4 per cent from 499.0 million lb. the same week a year ago. Pork production over the last four week's ending January 23 was estimated to average 483.8 million lb., up 3.1 per cent from 469.1 million lb. over the same four week period a year ago.

U.S. beef production for the week ending January 23 was estimated at 474.0 million lb., down slightly from 474.7 million lb. the previous week, but up 0.4 per cent from 472.3 million lb. the same week a year ago.

Cutout Values

U.S. pork cutout values for the week ending January 23, 2016 averaged US$74.12 per cwt, up US$2.86 per cwt or 4.0 per cent from US$71.26 per cwt the previous week, but down 13.1 per cent from US$85.31 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending January 23, 2016 averaged US$228.73 per cwt, down US$5.94 per cwt or 2.5 per cent from US$234.67 per cwt the previous week, and down 10.9 per cent from US$256.85 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending January 23, 2016 averaged US$108.44 per cwt, up 5.0 per cent from US$103.28 per cwt the previous week, but down 23.6 per cent from US$141.89 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on January 22, 2016. The United States' pork stocks in cold storage totaled 545.6 million lb. on December 31, 2015, down 2.7 per cent from 560.9 million lb. on November 30, 2015, but still up 8.3 per cent from 503.8 million lb. on December 31, 2014.

The U.S. beef stocks in cold storage totaled 513.9 million lb. on December 31, 2015, up 0.6 per cent from 510.6 million lb. on November 30, 2015, and up 15.6 per cent from 444.4 million lb. on December 31, 2014. U.S. beef stocks in cold storage at the end of December 2015 were at their maximum level compared to their previous ten year highs for December, and close to the maximum overall ten year highs.

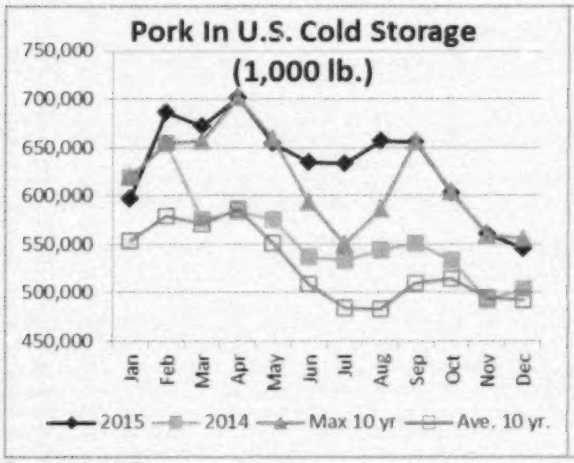
United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**31-Dec-2014**	**30-Nov-2015**	**31-Dec-2015**
Pork	503,792	560,915	545,600
Beef	444,376	510,636	513,892
Chicken	712,506	881,895	862,125
Turkey	193,429	190,268	200,062
Total Combined	**1,854,103**	**2,143,714**	**2,121,679**

Source: NASS

Chicken in cold storage totaled 862.1 million lb. on December 31, 2015, down 2.2 per cent from 881.9 million lb. on November 30, 2015, but up 21.0 per cent from 712.5 million lb. on December 31, 2014.

U.S. combined pork, beef, chicken and turkey stocks in cold storage totaled 2.122 billion lb. on December 31, 2015, down 1.0 per cent from 2.144 billion lb. on November 30, 2015, but up 14.4 per cent from 1.854 billion lb. on December 31, 2014. Total U.S. meat supplies in cold storage have declined almost 12 per cent from their 2015 highs in late September.



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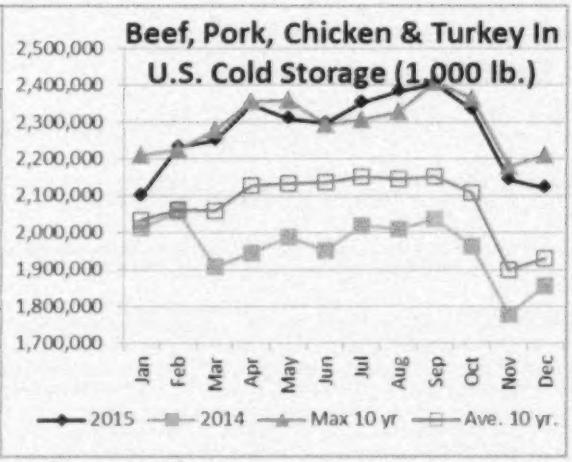

Source: LMIC

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